

EQUIPMENT LEASING

If a vehicle owned by someone other than the legal entity possessing the Public Carrier Certificate operates under your motor carrier number, an equipment lease may be required. Please see the exceptions listed at the bottom of this page.

An equipment lease is a contractual agreement between the registered owner of a motorized piece of equipment (a vehicle, not a trailer) and an entity that holds a Public Carrier Certificate (PCC) issued by the Illinois Commerce Commission (ILCC). The vehicle owner is called the Lessor; the PCC holder is called the Lessee.

The Lessee must prepare a lease on the approved ILCC lease form. When completed, mail to the ILCC, 1 original and 2 copies of the lease form with original signatures of the lessee & the lessor. Be sure to include a \$15 filing fee for each lease to be filed. One lease must be filed for each vehicle, i.e., the lease is vehicle specific.

Two red-stamped lease forms will be returned once approved; one is to be retained by the PCC holder at its principal place of business and the other form must be placed in the lessor's leased vehicle. **The red stamp indicates the lease has been received and approved by the ILCC.**

Before operating the leased vehicle for hire, it MUST be properly placarded with a sign containing the name of the Lessee along with the lessee's ILCC Motor Carrier (MC) number. The placard/sign must be placed on the cab or power unit of the leased vehicle.

The leased vehicle MUST contain a copy of the approved (red-stamped) lease and the following:

1. A copy of the lessee's PCC; and,
2. A completed (fill in ALL the applicable blanks) intrastate stamp; and, if applicable
3. IF the leased vehicle is to be engaged in interstate transportation, all necessary documentation.
 - A. D-1 card with bingo stamp for each state carrier will operate in (exempt interstate registration holders)
OR
 - B. Copy of the lessee's Single State Registration System receipt (authorized interstate carriers).

To put a leased vehicle into service prior to receiving approval of a lease:

1. Complete an original and 3 (not 2) copies of the lease.
2. Prepare an affidavit which states that on a specific date, the original lease and 2 copies were forwarded to the ILCC with the proper filing fee of \$15 for approval. It wouldn't hurt to attach a copy of the check also.
3. Attach remaining copy of the lease to the copy of the affidavit and place these documents in the leased vehicle.
4. On the same specific date mentioned above in #2, mail to the ILCC the original lease (with 2 copies attached) along with the \$15 fee.

The maximum duration of a lease is 3 years. There is no minimum time limit – if a PCC holder uses/leases someone else's vehicle even for one trip or one day, preparation and filing of a lease is required.

Should you desire to cancel a lease before the end of its "term", it can be done at no charge by mailing or faxing (217/785-1448) a copy of the lease to be cancelled with "cancel lease effective (date) by (owner or corporate officer)" written on it.

Supervision and control is a very important area of concern. During the time a leased vehicle is used under an ILCC PCC, it is the Lessee's responsibility to supervise all operations of such equipment, including dispatching, billing, and collecting of freight charges.

Questions regarding leasing? Call the Transportation Information Service Center (TISC) at (217) 782-4654 or Mr. Bob Anderson, Processing Section at (217) 782-6949.

EXCEPTIONS

Since intrastate deregulation began 1/1/95, leasing between ILCC PCC carriers is not required. If you use a vehicle owned by another PCC carrier, a lease does NOT need to be filed. We suggest having a copy of a "private" lease in the vehicle, to prevent confusion in the event the vehicle is stopped by an enforcement officer.

IF you lease a vehicle from a bona fide leasing company (such as U-Haul, Ryder, Hertz, Penske, etc.), it is NOT necessary to file an equipment lease with the ILCC. HOWEVER, the same rules apply to those previously listed – you must mark/placard the outside of the vehicle with the certificated name of your company (the name of your PCC) along with you Motor Carrier (MC) number. All applicable paperwork (copy of PCC, intrastate stamp, interstate cab card or SSRS AND lease agreement received from the bona fide leasing company) must be placed in that vehicle.